

National Institute for Literacy's Billing Instructions/Guidelines

Invoices should be submitted on a SF 1034.

Within 30 days of receipt of a proper invoice, an invoice will be paid. There are two key terms that determine when the 30 day clock starts-receipt and proper invoice. Receipt occurs on the latter of:

- 1) For invoices that are mailed, the date a proper invoice is actually received and date/time stamped in our office. For invoices transmitted electronically, we will look at the date a readable transmission is received by our office, or if it is received after normal working hours we will use the next business day.
- 2) The seventh day after the date on which the property is actually delivered or the performance of services is actually completed. This date may not be accurate if the contract calls for a longer acceptance period or if we actually accept goods or services before the seventh day. (5 CFR § 1315.4)
- 3) On the date of delivery, if specified in the contract.
- 4) On the date placed on the invoice by the contractor, if we fail to annotate the date of receipt in our office.

What makes an invoice a proper invoice? An invoice is deemed proper through the following process. We receive your invoice, and then we review it for the following information, if the information is complete then we pay it:

- 1) Name of vendor
- 2) Invoice date
- 3) Government contract number (10 digits)
- 4) Vendor invoice number, account number, or other number identified in the contract
- 5) Description (including, for example, contract line/subline number), price, and quantity of goods or services rendered.
- 6) Shipping and payment terms (unless mutually agreed that this information is only required in the contract)
- 7) TIN (unless mutually agreed that this information is only required in the contract)
- 8) Banking information for payment by EFT (unless mutually agreed that this information is only required in the contract)
- 9) Contact name (where practicable), title and telephone number
- 10) Other substantiating documentation or information required by the contract. This documentation should include information regarding where the requested funds were spent. We need to see detailed labor hours per

task, travel expenses (where travelers went, transportation costs, etc.), supplies purchased, etc.

If we determine that your invoice is not proper, we will return it to you and identify all defects that prevent payment. You should correct the invoice and return it to us for payment. 5 CFR § 1315.9

Item # 10 above is, in our experience, the most problematic for our contractors. The following explanation may help you to think about the types of information to include in your invoices/vouchers. According to the Federal Acquisition Regulations (FAR) 16.301-3, paragraph (a)(2), a cost-reimbursement contract requires, "Appropriate Government surveillance during the performance [that] will provide reasonable assurance that efficient methods and effective cost controls are used." This "surveillance" not only comes in the form of monthly reports, but more importantly, in *invoicing*. You have the responsibility to request reimbursement of your recorded costs; in other words, to submit an invoice on a regular basis. FAR 52.216-7, paragraph (b) defines the term *costs* to include the following: materials issued from the contractor's inventory and placed in the production process for use on the contract; direct labor; direct travel; other direct in-house costs; and reasonable, allocable, and allowable indirect costs (see FAR 31), as shown in the records maintained by you for purposes of obtaining reimbursement under a Government contract. The Government has the responsibility to pay the invoice, *after* determining which of the *costs* are reasonable, allocable, and allowable. To make this determination we must receive a detailed invoice with the *costs* broken out. Although not explicitly stated in your contract, this authority is inherent in the precise definition of a cost-reimbursement contract.

This is the condensed version of the Prompt Payment Act and the resultant regulations. These are the basics, your individual contract(s) may differ from this information. If you have further questions about Prompt Payment, or how your contract is affected, please contact your contract specialist.